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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

BROOKMEAD PARTNERS LP, a Nevada Limited Partnership, Plaintiff, v. Interinsurance Exchange of the Automobile Club, a California business entity, Saracia L.P. Shannahan, and William P. Shannahan, Higgs Fletcher & Mack, LLP, a California Business entity, Defendants.	CASE NO. 08 CV—659-JLS (WMC) DECLARATION OF WILLIAM P. SHANNAHAN IN REPLY TO "EX PARTE APPLICATION FOR EMERGENCY RELIEF"

I, William P. Shannahan, declare as follows:

1. I am a defendant in this proceeding, and if called as a witness I would and could testify to the following as true and correct.

A) **THE DIVORCE PROCEEDING**

2. I was a party to the divorce proceeding that is the focus of Saracia Shannahan's so-called Ex Parte Application. During that proceeding, I was the target of the same unfounded personal attacks as those found in the Ex Parte Application.

3. The trial judge in the divorce proceeding, the Hon. Thomas Ashworth, made personal attacks on me during the divorce proceeding from the bench. The 'Final Statement of Decision on Reserved Issues," certainly provides credence to my personal viewpoint that Judge Ashworth developed a bias against me, and failed to conduct the proceedings in a fair and impartial manner.

4. Based on the above, it is my understanding that Brookmead Partners, L.P., the Plaintiff in this case, has sought an adjudication of rights to the insurance proceeds from Interinsurance Exchange by another judge. Based on the advice of the attorney for Plaintiff Brookmead Partners, L.P., that diversity jurisdiction exists and that the rights to the insurance proceeds could be determined by a federal court judge, I wholeheartedly endorsed both the interpleader of the insurance money and the action filed by Brookmead Partners L.P., thus allowing the federal court to make decisions related to the insurance proceeds. I am confident of this federal court's integrity and neutrality.

5. It is my understanding and belief that the Plaintiff Brookmead Partners, L.P., was never a party to the state court divorce proceedings. It is further my understanding and belief that Judge Ashworth did not maintain jurisdiction over Brookmead Partner, L.P., and therefore Judge Ashworth would not have the authority to make a decision on insurance proceeds related to Brookmead Partners, L.P. While I am an experienced California attorney, neither civil litigation nor federal jurisdiction are areas of the law with which I have much experience, and I therefore consulted with legal counsel on these issues. I point to consultation with legal counsel (all of whom maintain impeccable reputations for honesty) only to reply to the accusations in the Ex Parte papers that some type of conspiracy is a foot. This conspiracy theory is the identical type of argument that was repeatedly used against me in the divorce

proceeding, and I trust this Court will understand my desire for a new neutral forum.

B) FACTS RELATED TO BROOKMEAD PARTNERS, L.P.

6. The following information is offered to the Court to aid, if needed, in the resolution of jurisdictional issues. I do specialize in tax related legal issues, which I put to use in tax planning for my children and wife, and which involved Brookmead Partners, L.P.

7. Brookmead Partners, L.P., consists of the following entities:

a) Virginia Way LLC, a Nevada Limited Liability company,

b) Northwest Financial Limited, a Nevada Limited Partnership, and

c) BLLJ, a Nevada Limited Partnership.

8. Virginia Way LLC consists of the following entities:

a) Kolmar LLC, A Nevada Limited Liability Company,

b) Shannahan Children's Trust, and

c) WPS Investments, Inc. a Nevada corporation.

9. Kolmar LLC consists of:

a) MM Children's Trust, and

b) Virginia Way, LLC.

10. Northwest Financial Limited consists of:

a) Northwest Financial, Inc. a Nevada corporation, and

b) MM Children's Trust.

11. BLLJ consists of:

a) WPS Investments, Inc. a Nevada corporation, and

b) MM Children's Trust.

12. I have never personally owned an interest in the Plaintiff Brookmead Partners, L.P. or its predecessor, Brookmead Partners, a California General Partnership. Any interest I held in Brookmead Partners was beneficially through the Shannahan Marital Trust dated April 28, 1987 or the Shannahan Separate Property Trust dated October 23, 1981.

13. The Shannahan Separate Property Trust dated October 23, 1981 owned an interest in Virginia Way LLC, a Nevada Limited Liability Company and in Kolmar LLC, a Nevada Limited Liability Company. The Trust was found by Judge Ashworth in the dissolution proceedings to be a separate and distinct entity.

14. Due to business obligations, the separate property trust was required to sell its interest in Virginia Way LLC and redeem its interest in Kolmar LLC.

15. Both of the above transactions occurred effectively May 1, 2008 after the filing of the original complaint by the Plaintiff and before the filing of the Amended Complaint by the Plaintiff and before the filings of any pleadings by any Defendants and/or third parties.

16. I have a beneficial interest in WPS Investments, Inc., a Nevada corporation, whose principal place of business is located at 1000 East William Street, Carson City, Nevada 89701. However, WPS Investments, Inc. conducts no business in California and it sole asset is holding passive ownership interests in the other entities related to the Brookmead Property. I am not now, and have never been called upon to perform any corporate functions on behalf of WPS Investments, Inc. in California.

17. I am also an officer and a director of Northwest Financial, Inc., whose principal place of business is 1000 East William Street, Carson City, Nevada 89701. However, I am not and never have been a shareholder of

Northwest Financial, Inc. Its shareholder is a Cayman Island Trust whose Trustee is located in Hong Kong. I am not now, and have never been called upon to perform any corporate functions on behalf of Northwest Financial, Inc. in California. Northwest Financial, Inc. is the general partner of Northwest Financial Limited which holds a passive ownership interests in the other entities related to the Brookmead Property, and it conducts no business in California.

I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

Executed this 8th day of July 2008.

\s\ *William P. Shannan*

WILLIAM P. SHANNAHAN